

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE: September 14, 2015**

**ITEM VI.A. 1 and 2:** Consider Actions Relating to Disposition of Property No. 3, located at 230 North Main Street (APN 028-34-001 Through APN 028-34-094), Milpitas, CA.

### **RECOMMENDED ACTION:**

1. Oversight Board Member Polanski recommends approval of a resolution which amends the LRPMP from disposing of 230 North Main Street through sale to disposing of the property by retaining it for governmental use. (Alternative A Resolution No. 66)
2. Oversight Board Member Mendizabal recommends approval of a resolution which amends the LRPMP from disposing of 230 North Main Street through an RFP process to disposing of the property by sale to the City of Milpitas for original purchase price of \$6.8 million by the former Redevelopment Agency. (Alternative B Resolution No. 66)

### **BACKGROUND AND DISCUSSION:**

Oversight Board Member Polanski's report regarding this matter is attached. Oversight Board Member Mendizabal will provide a report at the Oversight Board meeting.

To: Milpitas Oversight Board

From: Althea Polanski

Date: September 2, 2015

cc: Milpitas Successor Agency

Re: Resolution # 66

Thank you for taking the time to review the request to reconsider the disposition of the property referred to as Property #3 in the Long-Range Property Management Plan, located at 230 N. Main Street and is before the Milpitas Oversight Board as Resolution # 66.

The property is an invaluable resource to residents of the City of Milpitas, the County of Santa Clara and surrounding areas. It is located directly north of a regional library, medical health clinic, and senior housing. The property is also located in close proximity to a church and pre-school property and directly across from a residential development.

It was through the urging of community members throughout the City of Milpitas that the Milpitas City Council purchased the property for a park and possible location for a community museum at the request of the Milpitas Historical Society. Throughout Santa Clara County, more and more open space on the valley floor is lost to residential and industrial development.

This piece of property is in a unique location to provide a beautiful park setting with views of the foothills for years to come. The park plans are already approved and ready for implementation and if not for the current process, the park would have opened in the summer of 2015.

I urge my fellow committee members to support Resolution # 66 to move this property to public use which will benefit residents throughout Santa Clara County as well as our neighbors to the north.

Respectfully,

*Althea Polanski*

Althea Polanski

## **RESOLUTION NO. 66**

### **RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY AMENDING THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR PROPERTY #3, 230 N. MAIN STREET (APN 028-34-001 THROUGH 028-34-094) DISPOSITION FROM SALE OF THE PROPERTY TO RETENTION FOR GOVERNMENTAL USE.**

**WHEREAS**, the Oversight Board of the RDA Successor Agency for the City of Milpitas (“Oversight Board”) has been established to direct the RDA Successor Agency for the City of Milpitas (“Successor Agency”) to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

**WHEREAS**, among the duties of the successor agencies under the Dissolution Act is the preparation of a long-range property management plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance (“DOF”); and

**WHEREAS**, the LRPMP for the Successor Agency was approved by the Oversight Board on February 10, 2015, and by DOF on March 9, 2015; and

**WHEREAS**, the LRPMP provides that 230 N. Main Street (APN 028-34-001) which is designated as Property #3 should be disposed by sale; and

**WHEREAS**, the Oversight Board has heard testimony from residents of the City of Milpitas concerning long existing plans to build a park on the site and has reviewed the surrounding land uses in close proximity to Property #3; and

**WHEREAS**, the Oversight Board sees the benefits to the community regionally with the improvements of a regional library, medical health clinic, and senior housing for Property #3 be retained for a community park to benefit the needs of these improved facilities and the surrounding residential properties; and

**WHEREAS**, the Oversight Board understands the need regionally for open space to ensure a high quality of life for residents, the environment, and a long-term vision for the State of California to provide for our future, our children; and

**WHEREAS**, the City of Milpitas has design plans recommended by the Milpitas Parks, Recreation, and Cultural Resources Commission and included funding in the City of Milpitas Capital Improvement Plan; and

**WHEREAS**, based on the foregoing, the Oversight Board believes Property #3 should be retained for Governmental Use and not sold.

**NOW, THEREFORE,** the Oversight Board of the former Milpitas Redevelopment Agency resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Long Range Property Management Plan is amended to retain Property #3: 230 N. Main Street, Milpitas, CA (APN 028-34-001 through 028-34-094) for Governmental Use.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of September 2015, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Mike McInerney  
Board Chair

Board Member Mike Mendizabal's Staff Report on his proposed amendment will be submitted as a separate document.

**RESOLUTION NO. 66 \_Alternative B**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING AN AMENDMENT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR PROPERTY #3, 230 N. MAIN STREET (APN 028-34-001 THROUGH 028-34-094) CHANGING THE DISPOSITION FROM SALE OF THE PROPERTY PURSUANT TO RFP PROCESS TO SALE OF PROPERTY TO CITY FOR ORIGINAL PURCHASE PRICE OF \$6.8 MILLION BY THE FORMER REDEVELOPMENT AGENCY.**

**WHEREAS**, the Oversight Board of the RDA Successor Agency for the City of Milpitas (“Oversight Board”) has been established to direct the RDA Successor Agency for the City of Milpitas (“Successor Agency”) to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

**WHEREAS**, among the duties of the successor agencies under the Dissolution Act is the preparation of a long-range property management plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance (“DOF”); and

**WHEREAS**, the LRPMP for the Successor Agency was approved by the Oversight Board on February 10, 2015, and by DOF on March 9, 2015; and

**WHEREAS**, the former Milpitas Redevelopment Agency paid \$6.8 million to acquire 230 North Main Street, a vacant lot, in August 2010 and the City zoned it as parks and open space in November 2010; and

**WHEREAS**, the City established a capital improvement project number 5092 for the design and construction of a new park at 230 North Main Street in FY 11-12 with some initial funding, but no money was spent to implement the project due to litigation arising out of the dissolution of the Milpitas Redevelopment Agency; and

**WHEREAS**, the State, County, County Office of Education, and the City Parties, including the Successor Agency, the City, the Milpitas Housing Authority and the Milpitas Economic Development Corporation, made and entered into a settlement agreement, effective June 17, 2014, that designated 230 North Main Street for sale under Health and Safety Code section 34191.5, subdivision (c)(2)(B); and

**WHEREAS**, the Oversight Board has recently heard testimony from residents of the City of Milpitas that 230 North Main Street should be developed as a community park to benefit the residents in surrounding homes as well as the users and staff members of a nearby regional library and medical health clinic; and

**WHEREAS**, the Oversight Board believes that the surest and fairest way for the City to obtain ownership of 230 North Main Street to build a community park is to sell the parcel to the City for the original purchase price of \$6.8 million.

**NOW, THEREFORE**, the Oversight Board of the former Milpitas Redevelopment Agency resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Long Range Property Management Plan is amended to sell Property #3: 230 N. Main Street, Milpitas, CA (APN 028-34-001 through 028-34-094) to the City for the original purchase price of \$6.8 million by the former Redevelopment Agency contingent on amending the settlement agreement.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of September 2015, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Mike McInerney  
Board Chair

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE: September 14, 2015**

**ITEM VI.A.2:** Report from Ad Hoc Committee of Oversight Board Regarding RFP Process and Recommending Adoption of Resolution No. 67 approving an RFP for Property Located at 230 North Main Street (APN028-34-001 through APN 028-34-094, Milpitas, CA.

### **RECOMMENDED ACTION:**

The Oversight Board Ad Hoc Committee recommends Adoption of Resolution No. 67 Approving a Request for Proposals (RFP) for the Sale of Property No. 3 Listed on the Long Range Property Management Plan and Located at 230 North Main Street (APN028-34-001 through APN 028-34-094), Milpitas, California.

### **BACKGROUND AND DISCUSSION:**

At its meeting of April 8, 2015, the Oversight Board designated an Ad Hoc Committee of the Board to oversee the RFP process and present RFPs to the Oversight Board for approval. The Oversight Board Ad Hoc Committee conferred by telephone on September 7, 2015, regarding disposition of Property No. 3. Chair McInerney and Board Member Althea Polanski participated in the call. Board Member Glen Williams and City Manager Tom Williams were scheduled to be on the call but were unable to participate. They received the Draft RFP for comment on September 7, 2015. Hilda Cantú Montoy represented the Oversight Board on the call.

The Oversight Board Ad Hoc Committee agreed to use the basic template for the RFP concerning Property No. 3. Ms. Montoy worked on the RFP as directed and transmitted drafts to the Ad Hoc Committee and Mr. Tom Williams for review and recommended edits. Recommendations from the Ad Hoc Committee members are included in the proposed RFP.

As with the RFP for Property No. 5 (Cracolice Site) this RFP includes:

- (i) a deposit of \$50,000 as part of the proposal;
- (ii) no additional deposit requirement;
- (iii) no minimum proposed price;

As with the prior RFP process, the plan is for wide distribution of the RFP as that is in the best interest of the Successor Agency and Taxing Entities. In that regard, upon the



Oversight Board's approval of Resolution No. 67, the Successor Agency and the County of Santa Clara will cause the distribution of the RFP. The RFP will also be posted on the Oversight Board and Successor Agency websites. Proposals will be submitted to Special Counsel for the Oversight Board. Ms. Montoy will collect and maintain the proposals which will be distributed to the Ad Hoc Committee and Successor Agency for review.

## **RESOLUTION NO. 67**

### **RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING A REQUEST FOR PROPOSALS (RFP) PROCESS FOR THE SALE OF PROPERTY NO. 3 LISTED ON THE LONG RANGE PROPERTY MANAGEMENT PLAN AND LOCATED AT 230 NORTH MAIN STREET (APN 028-34-001 THROUGH APN 028-34-094), MILPITAS, CALIFORNIA**

**WHEREAS**, the Oversight Board to the RDA Successor Agency for the City of Milpitas (“Oversight Board”) has been established to direct the RDA Successor Agency for the City of Milpitas (“Successor Agency”) to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

**WHEREAS**, among the duties of successor agencies under the Dissolution Act is the preparation of a long-range property management plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance (“DOF”); and

**WHEREAS**, the LRPMP for the Successor Agency was approved by the Oversight Board on February 10, 2015, and by DOF on March 9, 2015; and

**WHEREAS**, the LRPMP identifies properties as assets of the Successor Agency that the Successor Agency is to sell; and

**WHEREAS**, the Oversight Board approved an Appraisal Contract with Valbridge Property Advisors on December 2, 2014, which provides for appraisal of properties listed on the LRPMP; and

**WHEREAS**, the Oversight Board desires to utilize a Request for Proposals (“RFP”) process as set forth in the LRPMP to solicit offers for the disposition of the properties; and

**WHEREAS**, at its meeting of April 8, 2015, the Oversight Board designated an Ad Hoc Committee of the Board to oversee the RFP process and present RFPs to the Oversight Board for approval; and

**WHEREAS**, the Oversight Board Ad Hoc Committee has conferred and directed the preparation of an RFP for Property No. 3 on the LRPMP located at 230 North Main Street (APN 028-34-001 through APN 028-34-094, Milpitas, CA; and

**WHEREAS**, the Oversight Board Ad Hoc Committee recommends that the Oversight Board approve the RFP prepared for Property No. 3.

**NOW, THEREFORE,** the Oversight Board of the former Milpitas Redevelopment Agency resolves as follows:

**Section 1.** The recitals set forth above are true and correct and are incorporated herein by reference.

**Section 2.** The Oversight Board hereby approves the Request for Proposals for Property No. 3 listed on the LRPMP and located at 230 North Main Street (APN 028-34-001 through APN 028-34-094), Milpitas, California. Special Counsel is directed to work with Successor Agency staff in the distribution of said RFP.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of September 2015, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Mike McInerney  
Board Chair